

Exhibit 3

1 MATTHEW CAIN, Ph.D.

2 UNITED STATES DISTRICT COURT

3 FOR THE DISTRICT OF SOUTH CAROLINA

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6 INTERNATIONAL BROTHERHOOD OF
7 ELECTRICAL WORKERS LOCAL 98
PENSION FUND on behalf of
itself and all others
similarly situated,

9 Plaintiffs, Case No. 3:19-cv-3304

10 v.

11 DELOITTE & TOUCHE LLP,
DELOITTE LLP,

12 Defendants.

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17 DEPOSITION OF MATTHEW CAIN, Ph.D.

18 Via Remote Videoconference

19 Tuesday, September 14, 2021

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23 Reported by:

24 Michele Eddy, RPR, CRR, CLR

25 JOB NO. 198396

1 MATTHEW CAIN, Ph.D.

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7 September 14, 2021

8 9:28 A.M.

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11 Deposition of MATTHEW CAIN, Ph.D., held
12 remotely via videoconference, with the witness
13 located in Chagrin Falls, Ohio, pursuant to
14 notice, before Michele Eddy, a Registered
15 Professional Reporter, Certified Realtime
16 Reporter, and Notary Public of the State of
17 Ohio.

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2 nuclear project."

3 Then it goes on.

4 A Yes, yes.

5 Q Do you think it's fair to say that
6 the complaint alleges that SCANA made false and
7 misleading statements during the class period?

8 MS. POSNER: Objection. Misstates
9 the complaint.

10 A The complaint does say that, at least
11 in front of that Commission, that SCANA made
12 false and misleading statements.

13 Q Do you know whether the lead
14 plaintiff in this case has asserted any claims
15 against SCANA?

16 MS. POSNER: Objection. Calls for a
17 legal conclusion.

18 A I'm not sure off the top of my head.

19 Q Well, in conducting any of your
20 analyses contained in your report, did you need
21 to know whether or not lead plaintiff here
22 asserted claims against SCANA?

23 A I don't believe that I needed to know
24 that.

25 Q Do you know whether the lead

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2 plaintiff in this case has asserted any claims
3 against SCANA's officers?

4 MS. POSNER: Objection. Calls for a
5 legal conclusion.

6 A Off the top of my head, I don't know.

7 Q In conducting any of your analyses
8 contained in your report, did you need to know
9 whether or not lead plaintiff here asserted
10 claims against SCANA's officers?

11 A No, I don't believe so.

12 Q Do you know if lead plaintiff is
13 allowed to recover any losses associated with
14 false statements made by SCANA or its officers?

15 MS. POSNER: Objection. Calls for a
16 legal conclusion and beyond the scope of
17 his report.

18 A From a legal perspective, I don't
19 know the answer to that.

20 MR. SCHWARTZ: Katie, can we go back
21 to the report, please? I believe it's
22 Exhibit 22.

23 BY MR. SCHWARTZ:

24 Q Dr. Cain, I will again be going back
25 to that paragraph 70.

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2 A Okay.

3 Q Let me know when you're there.

4 A Okay, I'm there.

5 Q Again, that first sentence, you say
6 you were "asked by counsel to evaluate whether
7 per share damages can be assessed for all class
8 members under Section 10(b) of the Exchange Act
9 based upon a methodology common to all class
10 members and consistent with lead plaintiff's
11 theory of liability."

12 A Correct?

13 A Yes.

14 Q And what's your proposed methodology
15 for calculating damages that are consistent
16 with lead plaintiff's theory of liability?

17 A I think that is -- it begins to be
18 presented in the third sentence of paragraph
19 70, so it explains -- or I explain, "This
20 approach calculates damages formulaically as
21 the artificial inflation in the share price at
22 the time of purchase minus the artificial
23 inflation in the share price at the time of
24 sale," and it goes on and summarizes statutory
25 limitation on damages. And then the paragraphs

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2 that follow, I explain how that inflation can
3 be calculated using event studies.

4 Q How is artificial inflation
5 introduced into stock prices?

6 A My general understanding is that
7 there's two common means by which inflation is
8 introduced into stock prices in these type of
9 cases. And one would be if you're in an
10 inflation creating event. And the second would
11 be through an inflation maintaining statement
12 or alleged misstatement or omission, which
13 could maintain artificial inflation in the
14 stock price, for example, by failing to
15 disclose negative information to the market.

16 Q How was artificial inflation
17 introduced into SCANA's stock price here?

18 MS. POSNER: Objection.

19 A That's not an analysis that I've
20 undertaken at this point in time.

21 Q Do you have an opinion one way or
22 another whether artificial inflation was
23 actually introduced into SCANA's stock price
24 during the class period?

25 MS. POSNER: Objection. Goes beyond

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2 the scope of his report.

3 A At this point in time I do not have
4 an opinion.

5 Q How does your proposed methodology
6 separate out any inflation due to alleged
7 misstatements by persons or entities other than
8 the defendants here so that you can be sure
9 that lead plaintiff is only seeking inflation
10 damages allegedly attributed to the defendants'
11 misstatements?

12 A So that's not -- that's not a detail
13 of the analysis that I've undertaken at this
14 point in time, and I've not articulated those
15 steps at this point in time.

16 Q So there's nothing in your report
17 that I could look at to understand how you
18 would propose to separate out inflation solely
19 attributable to alleged misstatements by the
20 defendants; is that correct?

21 A That's correct. That's not a detail
22 that I've drilled down to at this point in
23 time.

24 Q Okay. So let's back up a little and
25 just go over some background information.

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2 investor in a company owns one slice of that
3 company in terms of the securities they own.
4 So, therefore, if we're talking about a
5 valuation methodology or an event study, that's
6 referring back to that slice of ownership that
7 each investor has in a company, and all you
8 really need to do is scale by the number of
9 shares that they own. Those steps, though, are
10 going to be the same for any investor. You
11 just have to scale it by the number of shares
12 that they own.

13 Q How are you going to determine what
14 artificial inflation, if any, is attributable
15 to statements by Deloitte versus statements by
16 SCANA and its officers? What specific
17 methodology will you use?

18 MS. POSNER: Objection.

19 A So, again, I cannot lay out the
20 actual analysis or the steps that I would take
21 at the merit stage because I have not been
22 asked to do any of those analyses at this point
23 in time. I have not evaluated the information
24 environment. I have not yet evaluated any
25 potential alleged corrective disclosures, so I

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2 cannot tell you what the course or what path
3 that analysis is going to take because that's
4 an analysis that takes a lot of time and effort
5 and research in the specific set of facts and
6 circumstances. But, like I said, in my
7 academic experience, as well as my professional
8 experience working on other merits reports, the
9 tools or the methodologies that I employ and
10 that other experts employ at the merit stage,
11 such as event studies and valuation analysis,
12 are tools that are very easily applied on a
13 class-wide basis.

14 Q But you've said now several times
15 that you need to know the specific set of facts
16 and circumstances to understand what tool you
17 would employ, right?

18 A Yes, I think that's correct.

19 Q And you don't know what set of facts
20 and circumstances you're dealing with now,
21 right?

22 A I'm not really sure what you mean by
23 that.

24 Q You don't know -- you said you need
25 to wait until the merits report so that you